



Report 10.525
Date 21 September 2010
File CFO/13/02/01

Committee Council
Author Judith Aitken, Councillor

Report on the Finance, Audit and Risk Committee meeting held on 21 September 2010

1. Purpose

To update the Council on the meeting of the Finance, Audit and Risk Committee held on 21 September 2010.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3) (b) of the Local Government Act 2002.

3. Reports

3.1 Legal compliance

Chris Gray introduced the report, additional comments were also made by Barry Turfrey. The Committee were satisfied with the process undertaken by Greater Wellington.

3.2 Report from the Auditors and the Annual Report for the year ending 30 June 2010

Barry Turfrey gave an overview of the status of the audit, including the WRC Holdings Group.

There were several matters raised:

- Individual Statement of Intents for the subsidiaries of WRC Holdings
- Taking into income the unrealised tax losses within the WRC Holdings Group
- Considering Port Investments and CentrePort.

Barry Turfrey noted that in terms of the matters noted:

- There would be additional performance measures added to the financial statements of WRC Holdings and its subsidiaries. The auditors would then note these as a matter of emphasis
- Unrealised tax losses of \$1.5 million will be taken up in the Income Statement for WRC Holdings and the consolidated financial statements of Greater Wellington
- Consolidated financial statements for Port Investments and CentrePort will be prepared.

Karen Young, from Audit New Zealand, discussed the status of the audit. The matters noted above were further discussed by the auditors with the Committee.

3.3 Financial report for the two months ending 31 August 2010

Barry Turfrey presented the report and noted that the forecast to 30 June 2011 remained unchanged from the budget.

The Committee noted that a number of the year to date variance numbers were described as “due to timing issues” and requested that, in future, information should be provided for the Committee on whether a project/activity was

- (i) expected to be completed by a specific timeline, eg, a month(s) during a financial year; or
- (ii) expected to be carried out/completed at any time during a financial year; and

that this milestone reporting would enable the Committee to monitor progress and where necessary seek advice on remedial action or any other indicated change in plan.

3.4 Local Government debt vehicle (oral – PE)

Barry Turfrey presented an oral report on the progress in establishing a Local Government Debt Vehicle including the terms, conditions and timing.

4. Unconfirmed minutes

The unconfirmed minutes of the committee meeting are attached as *Attachment 1*.

5. Recommendations

That the Council:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Confirms the minutes of the meeting of the Finance, Audit and Risk Committee held on 21 September 2010***

Report prepared by:

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Judith Aitken
Chair
Finance, Audit and Risk Committee

Barry Turfrey
Chief Financial Officer

Attachment 1: Unconfirmed minutes of committee meeting